



SB992

Testimony of the Michigan Chemistry Council
before the Michigan Senate Transportation Committee
Wednesday, September 21st, 2016

Mr. Chairman and Members of the Committee,

My name is John Dulmes, and I'm the executive director of the Michigan Chemistry Council. On behalf of my members, thank you for the opportunity to provide testimony on the issue of drone security and the chemical industry. Our companies support nearly more than 80,000 Michigan jobs and generate \$143 million in state and local taxes. 96% of all manufactured goods are directly touched by the business of chemistry, making our industry essential to every facet of Michigan's economy.

Like many other industries, we are excited about the many beneficial applications of unmanned aircraft systems (UAS), or drones. These possibilities include:

- Plant/process equipment monitoring/inspections
- Environmental and safety inspections, including flare stack monitoring
- Infrastructure inspections, including remote fence lines and property boundaries
- Security surveillance, including perimeter security and access control
- Aerial photography and advanced imaging
- Emergency response operations, including incident, disaster, and spill response

While drone technology is promising, it also raises a number of questions and concerns, particularly about potential security threats. Along with refineries, power plants, and water treatment facilities, chemical facilities are generally recognized as a crucial part of the nation's critical infrastructure. Of course, our industry is committed to the safety of our employees and the communities in which we operate, and chemical companies nationwide have invested more than \$14 billion to enhance physical site, transportation, and cyber security at their facilities under the ACC's Responsible Care initiative. Many of our members are additionally regulated under the Department of Homeland Security's Chemical Facility Anti-Terrorism Standards (CFATS).

As the federal government and states consider further drone regulations, we feel it is necessary to ensure that sufficient protections are in place to prohibit the intentional misuse of drones over chemical facilities. We support legislation that would protect chemical plants and other key facilities from unauthorized over-flight or surveilling of their sites. Such legislation would provide additional protection from possible dangers to our facilities. As an example, drones that malfunction over a chemical plant could fall into an active chemical process unit and create a safety hazard. Furthermore, drones could capture videos or photos of a chemical plant layout, revealing sensitive security information that could be later used for deliberate harm. In a worst-case scenario, drones themselves could be used as direct weapons against chemical plants. While our member companies have done much to ensure the safety and security of their facilities, drones unfortunately present a multitude of unpredictable concerns.

I commend to your attention the language in HB 4868 (Rep. Heise) that we strongly support. This bill incorporates the existing prohibition of trespassing against "key facilities" as already defined in MCL 750.552c. This is a straightforward and commonsense application of this principle to protect chemical plants, refineries, power plants, water treatment facilities, hazardous waste disposal facilities, and telecommunications sites. HB 4868 was already passed by the House earlier this year on an overwhelming bipartisan vote, and was reported by the Senate Judiciary Committee in February. We believe this language should be incorporated into any new statutory framework for drone regulation in the state.

We look forward to working with you on this legislation.